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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

Senior Review Panel

NIC 6518-83/1
12 September 1983

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT: Views on the NIC

As you know, Bob Gates asked us to send him our thoughts on the NIC. You expressed interest in seeing our views. We attach a copy of a memorandum which we have sent EYES ONLY to him today. 25X1

[redacted]

William Leonhart

Attachment

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[redacted]

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WASHINGTON, D.C. 20505

Senior Review Panel

NIC 6518-83
12 September 1983

MEMORANDUM FOR: Chairman, National Intelligence Council

SUBJECT: The NIC: Process and Product

1. This memorandum responds to your request for the Panel's views on the NIC, its operations, procedures, and membership, and its role in national estimative production.

General Observations

2.a. We believe that you take charge of a NIC that is clearly a more productive, versatile, and effective organization than it was two years or so ago. Production is up, quality is improved, and responsiveness is surer.

b. The NIOs as a group seem to us the strongest assemblage in recent years. Some are exceptionally outstanding and would star in any organization. You may have a problem in the distribution of estimative burdens, which at times have seemed to us disproportionate for a few and relatively unproductive for others.

c. Despite these generally improving trends, we believe that, with notable exceptions, the general qualitative level is not as high as national requirements mandate, senior management at the Agency desires, or design specifications make possible. Additionally, we think that there may have been some backsliding in the maintenance of NIC standards previously achieved.

d. At this point we think that the main line of effort should be on the further improvement of the NIC product, within a context of substantive and procedural measures that are at hand and not on basically different organizational and administrative arrangements.

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A Look at the Estimates

3. A number of Estimates over the last few years have been first-rate by any standards--policy relevant, analytically rigorous, estimatively ingenious, with unambiguous strategic thrust and clear readability. A number of others have failed on one or more of these counts.

4. We have recently reviewed our comments and critiques of these less successful Estimates. Their hallmarks have not varied much--uncertainty of aim, excessive length, unclear relevance to present or emerging policy problems, conjectural cramp and speculative inhibitions, lack of timeliness. In this lower range, our comments have frequently pointed to excessive and idle historical descriptions, aimless passages on internal political development, and extended essays on institutional evolution. And a repeated strain has been thin and sketchy economic projections, treatment of military and internal security forces which ignores their political implications and seldom rises much above TO & E summaries, and weak or missing multidisciplinary analyses (an elaborate phrase for where the policymaker lives).

5. Beyond these matters, a wholly undesirable, self-imposed restriction of range and focus is too frequently found.

a. Estimative time scales have too seldom matched the real lead times the U. S. Government needs to deal with adverse political, economic, and social change while costs are lower and local conditions less unfavorable.

b. Analytical scope has too rarely situated new or emerging crises situations in a broader area context or sought the inter-connectedness of political, economic, and military developments in a region in an estimative manner helpful to determining national priorities or evaluating and monitoring major U. S. commitments.

c. Estimative projections have too seldom taken into account alternative futures, attempted to conjecture about outcomes of lesser probability than the indicated main line, or tried to define the validating indicators of forward-looking speculation. Too rarely have the future critical points or analytical crossroads been identified--with the alternative lines of development that might differently lead from them.

d. The Soviet [redacted] 25X1
Estimates are special cases--for their intrinsic importance, the resources devoted to them, and the complex analytical difficulties they present. Our estimative output on some

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Soviet aspects is outstanding. But we lack overall integrative estimates on some important sectors (e.g., the economy, the military, internal politics) or, apparently, a means to synthesize our political, economic, technological, and strategic studies to assist policymakers in their working hypotheses on what the Soviets are likely to do and how we best might position ourselves. We think that such an effort is needed and that it would be assisted by a more structured design of individual Soviet [redacted] Estimates and a clearer hierarchy of building block studies.

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6. Finally, a particularized problem seems to us to concern the presentation of estimative materials--page makeup, use of graphics and photographs, readability, highlighting techniques. DDI production has been light years ahead of NIC output in this area.

Possible Near-Term Improvements

7. The two measures which seem to us most promising in terms of early and substantial returns on initial managerial investment are: (a) front-loading the production system, and (b) altered emphases in substantive management.

8. Front-loading. In our view, many present Estimate difficulties stem from a production practice which now operates in an excessively rear-loaded fashion. Despite lengthy drafting and preparation periods (often upwards of six months or more), too much of the design of individual Estimates--and too many collection gaps--become apparent only in the generally compressed time available between the emergence of a first draft and an NFIB commitment. Essential elements of the system--systematic substantive review and senior management consideration--are thereby short-changed. Establishing a new emphasis on the front-loads of the system--the Concept Papers and TORs--would be a significant step forward, as would a number of devices now at hand which are discussed in paragraphs 9 through 14.

9. The Concept Papers. We believe that this is your most important management tool. It is the first--and perhaps the single most significant--step in estimate production. It should establish clarity at the outset between tasking authorities and production analysts on the aim of the paper, its analytical approach, its estimative range (including alternative prospects), and its relevance to present and emerging policy issues. Unless there is shared clarity at the beginning of an estimate on what the paper is intended to do, it will be off to a shaky start, and the wobbling will predictably increase. We think no other single

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factor so productive of delay and missed deadlines as an absence of initial conceptual clarity.

10. Appropriately done, Concept Papers also have other values. They can evoke a more intensive analyst-collector interchange at a stage early enough to affect estimative content. They can stimulate consumer-producer dialogue in the malleable phase of estimate preparation. They can be a significant vehicle of Community coordination and cooperation. We think that the Concepts (and the TORs) should either be circulated within the Community early on or be tabled well in advance of the Estimates at NFIB meetings.

11. TORs derive from the Concept and should normally not be undertaken until the latter is agreed. Recent practice too often (and particularly when drafting responsibilities have been ex-Agency) has involved a skeletal outline or a bare list of headings which frequently suggest, as well may be the case, that the project has not yet been thought through. The TORs should aim to: (a) set out briefly a plan for translating the Concept into an Estimate text, (b) pose the key questions on which analytical and estimative judgments will turn, (c) indicate the principal uncertainties foreseen, and (d) identify what main collection gaps or evidentiary insufficiencies are acknowledged. They should be prepared in close consultation between the NIO manager and the principal drafters; be reasonably detailed, predominantly analytical, and designed to highlight estimative thrust and range; be appropriately reviewed. Once they have been internally approved, they should, in our view, be forwarded to other participating NFIB agencies for comment/concurrence.

12. Scheduling. You might also wish to consider whether, at the time you approve draft Concepts and TORs, you should not also receive from the NIO concerned a statement proposing the production resources the Estimate will require, nominating any consultants desired, and outlining a work schedule. If existing production program or resource limitations so require, it would not be too late at this point to withdraw from, or postpone, a paper. But beyond this point, the paper should be scheduled with NFIB and the commitment maintained.

13. Collegiality. Your expressed views on expanding a collegial approach inside the NIC address a long overdue reform and have our full support. It seems to us of evident importance for collegiality to be applied to Concept Papers and TORs as well as to first or succeeding drafts. Neither Concept Papers nor TORs are casual documents or solitary excursions. They should be products of searching discussions within NIC, buttressed as needed by DDI officers and outside consultants, and should

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represent a thorough preliminary canvass of the subject. Greater use of collegiality in their preparation seems to us indispensable to balancing front and rear loads.

14. Guidelines. We think there would be many advantages in publishing a set of guidelines clarifying the general principles and procedures you wish followed in the preparation of National Estimates. At present a good deal of uncertainty and much variation exists within the NIC on aims, components, lengths, and purposes of Estimates as well as on internal coordination and review stages. The presence of a number of new NIOs, Assistant NIOs, and AG members, adds a further complication. Uniformity is of course not always a virtue, and straitjacketing may be a vice. But a set of general reference guidelines might assist in operating NIC's production monitoring system. A guidelines text should, in our view, cover: (a) the elements of substance and style expected in Concept Papers, TORs, and Estimates, and (b) the procedures and time intervals for internal coordination, review stages, and approvals to distribute. If you wish to consider the general notion further, we would be glad to work with your designates in developing a draft text.

Altered Emphases in Substantive Management

15. The second near-term improvement seems to us some alteration in the direction and emphasis of substantive management going far beyond editorial and administrative control. Two matters are chiefly important:

a. The Values of Conjecture. We believe that a new and strong emphasis should be placed by the NIC leadership on speculative analysis and forward-looking conjecture. There are great strengths to the "mosaic intelligence" theory--the building of conclusions by the patient assemblage of pieces of evidence and bits of information. But the theory also has its limitations. Arguably, more "intelligence failures" owe to a neglect of possible discontinuities in established patterns or precedents than to insufficiency of data or evidence. The system should not resist analysis of lesser probabilities or the shorter ends of two-to-one or three-to-one against. Conjecture is both respectable and indispensable in the estimative process, and management should encourage the development of speculative capacity and reward its use. The analyst owes to his craft and to his policymaking consumers his best judgments on variable and alternative outcomes, on future branch points and decision forks, and on those interim indicators ahead which will validate or alter his probabilities. Substantive management should embolden him to try.

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b. The Policy-Intelligence Intersection. This is perhaps the hardest problem. Intelligence can probably never hope to be fully informed on the moves and intentions of policy actors. And there may well be good reason for each to keep a proper distance. What can be done--and is not often enough done--is for intelligence to keep under review and scrutiny the prevailing assumptions which underlie a specific policy inertia or initiative, to prepare to challenge those assumptions, and to be ready to assess implications of alternative assumptions. To perform such tasks is not to meddle in policymaking but to support it. It lies at the heart of the national estimative process. It can only be done if the system's substantive managers give the effort their full support and encouragement.

Longer-Term Issues

16. People. In the end, the vitality and effectiveness of the system depends on the quality of its people. As we have noted, you start with a generally strong group. We think that you will wish to maintain a significant Community representation in the NIO body; that diversity of experience and background has value for its membership; and that career Agency officers, for some indefinite future to come, should continue to be the main element and chief support of the group.

17. We believe that the Agency's program for the development of future NIOs may merit a new look. The multiple requirements of the position suggest to us a different career pattern of assignment, training, and rotation from that appropriate to the management corps or the senior analyst ladder. The aim should be to produce officers widely acknowledged as outstanding experts in their area or function, having broad contacts in policy agencies and society generally, and benefiting from direct overseas experience. The basic questions are the kind of NIOs we want in five years' time--in ten--fifteen and the career patterns that should be installed now to equip them for their future roles. Some of the innovations you have made as DDI may apply. We flag the point only to underline its importance.

Concluding Observations

18.a. We think that the NIC is at a particularly critical point in its development. We believe that the present period calls for incremental change; that, with your leadership, such changes can further improve NIC's product and operations; and that more drastic alterations in purpose and organization are

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neither indicated nor desirable at this time. The foregoing suggestions are addressed to this context.

b. There are, of course, alternative organizational approaches to current structural and operational weaknesses, and we have given thought to some of them. At some point, these approaches might be worth considering as options for the long term.

c. We believe that the institution of an independent, off-line Senior Review Panel has demonstrated advantages of some importance to the estimative system. We very much hope we can be of service to you generally across the range of our responsibilities and in helping to carry out the changes in emphasis and direction this memorandum proposes. We should be very pleased to discuss any of the foregoing--its general approach or its specifics--with you at your convenience.

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19. We have sent copies of this memorandum to the DCI and the DDCI and intend no further distribution.

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William Leonhart

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SUBJECT: The NIC: Process and Product

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Distribution:
Original - Chairman, NIC
1 - The Director
1 - Deputy Director
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